

- ~~* complete all the incomplete schemes, mega PWSSs and World Bank-assisted schemes early;~~
- ~~* operationalize and maintain all the assets created under the scheme by utilizing operation and maintenance funds in a planned manner;~~
- ~~* shift the focus to surface water based schemes so as to ensure sustainability of water sources; and~~
- ~~* ensure accuracy and consistency of data reported for monitoring, taking timely corrective action and improving the quality of programme implementation.~~

Pension and Public Grievances Department

1.3 Audit of Pension Management System of the Directorate of Pension

THE DIRECTORATE OF PENSION (DOP), UNDER THE PENSION AND PUBLIC GRIEVANCES (P & PG) DEPARTMENT, GOVERNMENT OF ASSAM (GOA), WAS COMPUTERISED (MARCH 2009) THROUGH A COMPREHENSIVE SYSTEM viz., 'DIRECTOR OF PENSION INFORMATION SYSTEM (DPIS)'. THE OBJECTIVE OF THE COMPUTERIZATION WAS TO ENSURE SPEEDY FINALISATION OF PENSION CASES OF THE EMPLOYEES OF THE PROMINCIALISED SCHOOLS AND THE PANCHAYAT RAI INSTITUTIONS (PRIS).

THE AUDIT OF DOP ON THE PENSION MANAGEMENT SYSTEM WAS CARRIED OUT COVERING ALL THE PENSION MODULES THAT WERE IMPLEMENTED DURING 2009-17.

1.3.1 Introduction

THE DIRECTORATE OF PENSION (DOP) WAS ESTABLISHED (JANUARY 1990) BY THE GOVERNMENT OF ASSAM (GOA) TO DEAL WITH THE FINALISATION OF PENSION CASES OF THE EMPLOYEES OF THE PROMINCIALISED SCHOOLS AND THE PANCHAYAT RAI INSTITUTIONS (PRIS). TO EASE THE SETTLEMENT OF VARIOUS TYPES OF PENSION CASES, A COMPREHENSIVE SYSTEM i.e., 'DIRECTOR OF PENSION INFORMATION SYSTEM (DPIS)' WAS DEVELOPED TO CATER TO THE PROCESSING AND REPORTING REQUIREMENTS OF THE PENSION CASES.

- * THE DPIS PROJECT WAS INITIATED DURING 2008 IN COMPLIANCE WITH CHANGE REQUEST⁸⁵ IN THE COMPREHENSIVE TREASURY MANAGEMENT INFORMATION SYSTEM (CTMIS) WITH A TOTAL PROJECT COST OF ` 37.67 LAKH⁸⁶. THE PROJECT WAS YET TO BE

⁸⁵ AT THE TIME WHEN DPIS WAS CONCEPTUALIZED BY THE GOVERNMENT, THE CTMIS WAS ALREADY IMPLEMENTED. THE GOVERNMENT DIRECTED TCS TO DEVELOP THE DPIS AND, AS TCS HAD ALREADY DEVELOPED THE CTMIS, COMMUNICATIONS WERE DONE WITH THE TCS FOR MODIFICATIONS IN THE CTMIS AS CHANGE REQUEST¹, CHANGE REQUEST² AND CHANGE REQUEST³. THUS, GOVERNMENT INITIATED THE DEVELOPMENT OF THE DPIS AS CHANGE REQUEST⁴.

⁸⁶ ` 21 LAKH FOR PENSION AUTOMATION AND ` 16.67 LAKH FOR HARDWARE PROCUREMENT, INSTALLATION, TESTING AND COMMISSIONING OF DPIS HARDWARE.

COMPLETED IN TERMS OF FULL FUNCTIONALITY, INDICATING DEFICIENCIES IN PLANNING AND IMPLEMENTATION OF THE PROJECT

* THE DPIS, DEVELOPED BY TATA CONSULTANCY SERVICES (TCS), IS A COMPREHENSIVE WEB-BASED WORKFLOW DRIVEN APPLICATION WITH ORACLE 10G AS THE DATABASE AND JAVA AS FRONTEND APPLICATION COMPRISING OF SIX⁸⁷ MODULES. THE PENSION MODULE IS THE MAIN MODULE THROUGH WHICH ALL TYPES OF RETIREMENT BENEFITS ARE PROCESSED.

* ALL THE PENSION CASES ARE PROCESSED THROUGH THE DPIS. OUT OF 49,237 PENSION CASES RECEIVED, ONLY 34,927 CASES WERE SETTLED THROUGH DPIS, AS OF MAY 2017.

* AFTER FINALIZATION OF A PENSION PROPOSAL IN DPIS, THE PENSIONERS DATA IS ELECTRONICALLY TRANSFERRED TO THE CTMIS DATABASE MAINTAINED BY THE DIRECTORATE OF ACCOUNTS AND TREASURES (DOAT) FOR PAYMENT OF THE RETIREMENT BENEFITS.

THE DPIS APPLICATION WAS MAINTAINED BY THE TCS TILL SEPTEMBER 2011. THEREAFTER, THE DOP HAS BEEN MAINTAINING THE APPLICATION ON ITS OWN.

1.3.1.1 Objectives of DPIS

THE MAIN OBJECTIVES OF DPIS, *inter-alia*, INCLUDED:

- * SPEEDY DISPOSAL OF PENSION PROPOSALS;
- * MAINTAIN UNIFORMITY IN CALCULATION OF PENSION/FAMILY PENSION, DEATH-CUM RETIREMENT GRATUITY (DCRG), COMMUTATION OF PENSION, *etc.*;
- * AVOID ISSUE OF DUPLICATE PENSION PAYMENT ORDER (PPO), COMMUTATION OF PENSION ORDER, *etc.*;
- * LINK UP FINALISED PENSIONERS DATA TO THE TREASURY (CTMIS) DATABASE FOR PAYMENT AND
- * MAINTAIN AN ARCHIVE OF PENSIONERS DATA FOR FUTURE REFERENCE.

1.3.1.2 System architecture

IT IS A CENTRALIZED SYSTEM FOR MAINTAINING THE DATABASE AND APPLICATION OF THE DPIS. THE USERS OF DOP, ASSAM AT 'HOUSEHOLD COMPLEX' WERE CONNECTED WITH THE SERVER AT 'KARBHAWAN', DISPUR THROUGH DEDICATED LEASED LINE.

1.3.1.3 Workflow of pension process

THE WORKFLOW OF PROCESSING PENSION CASES IN DPIS IS DESCRIBED IN Table -1.17:

⁸⁷ (1) ADMIN, (2) PENSION, (3) REPORTS, (4) RUE BOOK, (5) HEAD OF OFFICE, AND (6) SEARCH

**Table-1.17
Workflow of Pension Process in DPIS**

Organisational Setup	Workflow process
DATA ENTRY OPERATOR (DEO)	THE PENSIONERS' DETAILS, ALONG WITH THE REQUIRED INFORMATION IN THE PENSION PROPOSAL FORM ARE ENTERED BY THE DEO IN DPIS. ONCE THE DATA IS ENTERED BY THE DEO, A PRINTED ACKNOWLEDGEMENT IS GENERATED FOR ISSUE TO THE APPLICANT.
DEALING ASSISTANT (DA)	THE DA VERIFIES THE DATA ENTERED BY THE DEO AND ADDS DETAILS ABOUT THE NET QUALIFYING PERIOD OF SERVICE. HE APPROVES/REJECTS THE PROPOSAL (WITH APPROPRIATE COMMENTS) AND FORWARDS THE DATA TO THE NEXT LEVEL.
SUPERINTENDENT	THE SUPERINTENDENT VERIFIES THE CASE AND ADDS DETAILS FOR THE PENSION CALCULATION. HE APPROVES/REJECTS THE PROPOSAL (WITH APPROPRIATE COMMENTS) AND FORWARDS THE DATA TO THE NEXT LEVEL.
FINANCE AND ACCOUNTS OFFICER (FAO)	THE FAO CHECKS THE CORRECTNESS OF ALL THE CALCULATIONS AND APPROVES/REJECTS THE PROPOSAL TO THE NEXT LEVEL.
DIRECTOR OF PENSION (DOP)	THE DOP APPROVES THE CASE, BASED ON ALL THE ENTERED DATA AND CALCULATIONS. THE DOP IS AUTHORISED TO EDIT THE DATA AND MAKE ANY CHANGE, IF REQUIRED. APPROVAL BY DIRECTOR GENERATES A UNIQUE PPO NUMBER FOR EACH PENSIONER RELEVANT TO THE DEPARTMENT. AFTER DOP'S APPROVAL, THE DATA FLOWS TO THE CT MIS FOR PAYMENT.
DISPATCH CLERK	THE DISPATCH CLERK DISPATCHES THE DOCUMENTS AS PER THE DECISION OF THE DOP.

Source: User Manual of DPIS.

1.3.2 Audit Approach

1.3.2.1 Audit Objectives

THE OBJECTIVES OF THIS AUDIT WERE TO ASSESS WHETHER THE:

- * DEPARTMENT HAD A POLICY FOR IT GOVERNANCE AND THE MECHANISM FOR ITS COMPLIANCE;
- * THE PENSION PROCESSING RULES WERE MAPPED INTO THE SYSTEM ACCURATELY;
- * ADEQUATE IT CONTROLS WERE IN PLACE TO ENSURE RELIABLE AND ACCURATE DATA; AND
- * THE SYSTEM WAS CAPABLE FOR SPEEDY DISPOSAL OF PENSION CASES.

1.3.2.2 Audit Criteria

THE AUDIT FINDINGS WERE BENCHMARKED AGAINST THE FOLLOWING SOURCES OF CRITERIA:

- * ASSAM SERVICES (PENSION) RULES 1969; ASSAM SERVICES (REVISION OF PAY) RULES 2010;
- * USER MANUAL OF DPIS;
- * INFORMATION TECHNOLOGY ACT, 2000 AND SUBSEQUENT AMENDMENTS.

1.3.2.3 Audit Scope and Methodology

THE AUDIT OF DPIS, COVERING THE PERIOD 2009 TO 2017 WAS CONDUCTED DURING MAY-JUNE 2017. THE RECORDS WERE EXAMINED WITH RESPECT TO DPIS, MAINTAINED IN THE OFFICES OF THE COMMISSIONER AND SECRETARY TO THE GOA, PENSION AND PUBLIC GRIEVANCES (P&PG) DEPARTMENT AND DOP, ASSAM.

THE DPIS APPLICATION SOFTWARE, USED BY THE DOP, ASSAM AND THE DPIS DATABASE MAINTAINED BY DOAT, WERE ANALYSED. PENSION CASES PROCESSED DURING MARCH 2009 TO MAY 2017 WERE ALSO ANALYSED, AFTER IMPORTING THE DATA FROM THE DPIS SERVER USING IDEA⁸⁸. DATA OF 49,237 PENSION CASES IN ALL WERE RECEIVED. PHYSICAL VERIFICATION OF IT SYSTEM OF DOP, ASSAM, WAS ALSO CARRIED OUT DURING THE COURSE OF AUDIT. THE AUDIT COMMENCED WITH AN ENTRY CONFERENCE (25 APRIL 2017) WHEREIN THE AUDIT OBJECTIVES, AUDIT CRITERIA AND SCOPE OF AUDIT WERE DISCUSSED AND INPUTS OF THE DEPARTMENTAL OFFICERS OBTAINED.

THE AUDIT FINDINGS WERE DISCUSSED IN THE EXIT CONFERENCE (06 DECEMBER 2017) HELD WITH THE SECRETARY TO THE GOA, P & PG DEPARTMENT, WHEREIN DIRECTOR, DOP, FINANCE AND ACCOUNTS OFFICER (FAO) AND IT RESOURCE PERSON WERE ALSO PRESENT. THE RESPONSE OF THE DEPARTMENT BASED ON THE DISCUSSION HELD AND THE REPLIES TO THE OBSERVATIONS RECEIVED, HAVE BEEN SUITABLY INCORPORATED IN THIS REPORT, WHEREVER APPLICABLE.

1.3.2.4 Acknowledgement

AUDIT ACKNOWLEDGES THE CO-OPERATION AND ASSISTANCE EXTENDED BY THE COMMISSIONER AND SECRETARY TO THE GOVERNMENT OF ASSAM, P & PG DEPARTMENT AND THE DOP, ASSAM AT ALL LEVELS DURING THE COURSE OF CONDUCT OF THE AUDIT.

Audit Findings

1.3.3 General controls

1.3.3.1 Training of users

STAFF DEALING WITH AN IT APPLICATION, SHOULD HAVE SKILLS, EXPERIENCE AND TRAINING NECESSARY TO CARRY OUT THEIR JOBS TO A COMPETENT STANDARD AND STAFF SHOULD BE GIVEN THE TRAINING AS PER NEED.

SCRUTINY (JUNE 2017) OF THE RECORDS SHOWED THAT THE DOP, ASSAM HAD NOT CONDUCTED ANY PERIODIC TRAINING FOR THE REGULAR EMPLOYEES. IT WAS ALSO OBSERVED THAT THE USERS WERE TOTALLY DEPENDENT ON THE SOLE OUTSOURCED IT PERSON FOR ITS ROUTINE FUNCTIONING. THE OUTSOURCED IT PERSON WAS FUNCTIONING AS A DATABASE ADMINISTRATOR (DBA) AND WAS PERFORMING FUNCTIONS RELATING TO BACKEND CORRECTIONS OF WRONGLY ENTERED DATA, WHICH WAS TO BE PERFORMED BY A REGULAR EMPLOYEE AS THERE WAS NO OTHER TRAINED REGULAR EMPLOYEE WHO COULD WORK AS DBA. THE SYSTEM WAS THEREFORE, VULNERABLE TO MANIPULATIONS LEADING TO WRONG COMPUTATIONS OF PENSION. LACK OF TRAINED PERSONNEL AND DEPENDENCY ON THE OUTSOURCED STAFF IN THE LONG TERM MAY LEAD TO THE POSSIBILITY WHERE THE INTEGRITY AND SECURITY OF THE DPIS APPLICATION MAY BE JEOPARDISED.

THE DOP ACCEPTED THE AUDIT OBSERVATION AND STATED THAT NECESSARY ACTION WOULD BE TAKEN.

⁸⁸ AN AUDIT TOOL FOR DATA EXTRACTION AND ANALYSIS. INTERACTIVE DATA EXTRACTION AND ANALYSIS (IDEA) VERSION 10.1 WAS USED FOR ANALYSIS OF DATA.

1.3.3.2 Segregation of duties and data access

AN IT APPLICATION SHOULD ENSURE SEGREGATION OF DUTIES, SO THAT THE DUTIES AND RESPONSIBILITIES ARE ASSIGNED, SYSTEMATICALLY TO DIFFERENT INDIVIDUALS TO ENSURE EFFECTIVE CHECKS AND BALANCES. NO SINGLE INDIVIDUAL SHOULD CONTROL ALL KEY STAGES OF A TRANSACTION OR EVENT. IT WAS OBSERVED THAT

* SIX USER ROLES EXISTED IN THE WORKFLOW OF THE APPLICATION. HOWEVER, DATA CHECKING AND ITS APPROVAL WAS MADE MANUALLY. DURING SCRUTINY OF RECORDS, IT WAS NOTICED THAT IN THE EVENT OF REQUIREMENT OF RECTIFICATION OF DATA, ERROR OR MODIFICATION OF DATA (e.g., DATE OF BIRTH, DATE OF RETIREMENT etc.), THE SERVICES OF IT OUTSOURCED PERSON WAS TAKEN FOR MAKING THE CORRECTION(S) IN THE SYSTEM AT THE BACK-END⁸⁹ LEVEL. THE DATA MODIFICATION PERMISSION THOUGH PRESENT AT THE DIRECTOR LEVEL, WAS NOT UTILISED.

AUDIT NOTICED ABSENCE OF AUDIT TRAIL (LOG FILES) OF SUCH CORRECTIONS WHICH MAKES THE SYSTEM HIGHLY VULNERABLE TO UNAUTHORIZED CHANGES.

THE DOP ACCEPTED THE OBSERVATION AND STATED (DECEMBER 2017) THAT ASSAM ELECTRONICS DEVELOPMENT CORPORATION LIMITED (AMTRON) WAS WORKING TO REVAMP THE DPIS APPLICATION FOR CORRECTION OF DATA, IF ANY, AT THE DIRECTOR LEVEL ONLY. THE DOP FURTHER ADDED THAT THE DEVELOPER HAD BEEN DIRECTED TO INCLUDE AUDIT TRAIL FOR ANY KIND OF REQUIRED DATA MODIFICATION.

* A SINGLE USER COULD OPERATE AT MULTIPLE LEVELS BY WHICH UNAUTHORIZED PROCESSING OF TRANSACTIONS COULD NOT BE RULED OUT. AS PER WORKFLOW, ONLY A SUPERINTENDENT IS AUTHORIZED TO ENTER PENSION CALCULATION DATA. HOWEVER, DURING AUDIT, IT WAS NOTICED THAT ADA WAS ABLE TO ENTER THE SAME IN DPIS.

THE DOP STATED (DECEMBER 2017) THAT MULTIPLE AUTHORISATIONS WERE GIVEN FOR SPEEDY DISPOSAL OF CASES. THE REPLY WAS NOT TENABLE AS SUCH MULTIPLE AUTHORISATION HAD NOT BEEN APPROVED BY THE COMPETENT AUTHORITY WITH PROPER DOCUMENTATION TO ENSURE ACCOUNTABILITY.

1.3.3.3 Business Continuity and Disaster Recovery Plan

A BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN (DRP) IS A DOCUMENTED PROCESS OR SET OF PROCEDURES TO RECOVER AND PROTECT A BUSINESS OF IT INFRASTRUCTURE AND CAPACITY TO MAINTAIN ITS VITAL BUSINESS PROCESSES IN THE EVENT OF A DISASTER OR INTERRUPTION. THIS PLAN SHOULD BE DEVELOPED AND TESTED FOR AN APPLICATION.

THE DOP DID NOT HAVE A BUSINESS CONTINUITY PLAN AND A DRP FOR DPIS. NO STANDARD POLICY ON DATA BACKUP WAS IN PLACE IN THE DIRECTORATE AND THE BACKUP WAS LOCALLY MAINTAINED AT THE DATA CENTRE OF DIRECTORATE OF ACCOUNTS AND TREASURES. AS SUCH, IN

⁸⁹ BACKEND CORRECTION: WHERE DATA IS ALTERED DIRECTLY BY ACCESSING THE DATABASE IS TERMED AS BACKEND CORRECTION.

THE EVENT OF ANY DISASTER, THERE WAS NO CAPABILITY TO RESTORE AND RESUME THE BUSINESS IMMEDIATELY.

THE DOP ACCEPTED (DECEMBER 2017) THE AUDIT OBSERVATION AND STATED THAT NECESSARY ACTION WOULD BE TAKEN

1.3.3.4 System Security

IT SECURITY POLICY ENTAILS RESTRICTING ACCESS TO THE IT ASSETS AND PROVIDES PROTECTION MECHANISM THAT LIMITS USERS' ACCESS TO INFORMATION AND RESTRICTS THEIR FORMS OF ACCESS ON THE SYSTEM TO ONLY WHAT IS APPROPRIATE FOR THEM. IT WAS OBSERVED THAT THE DEPARTMENT WAS YET TO ADOPT SUCH POLICY.

THE FOLLOWING DEFICIENCIES IN THIS REGARD WERE NOTICED:

- * THE DOP HAS NOT ADOPTED ANY ANTI-VIRUS POLICY. AS A RESULT, THE RISK OF DATA CORRUPTION WAS VERY HIGH
- * AUTHENTICATION IS THE PROCESS OF PROVING A CLAIMED IDENTITY. STRONG PASSWORDS ARE ESSENTIAL FOR SECURED AUTHENTICATED LOGIN. PASSWORDS SHOULD BE CHANGED AT REGULAR INTERVALS AND THE PASSWORDS SHOULD BE A COMBINATION OF UPPER/LOWER CASE- NUMERIC-SPECIAL CHARACTERS WITH MINIMUM OF 8 CHARACTERS IN LENGTH. AUDIT OBSERVED THAT THE DEFAULT USER PASSWORDS WHICH WERE WEAK, WERE BEING USED AND THE SAME WERE NOT BEING CHANGED ON REGULAR BASIS RESULTING IN INADEQUATE ACCESS CONTROLS.
- * LOCAL AREA NETWORK (LAN) CONNECTION SWITCH AND OTHER ELECTRICAL CONNECTION IN THE SYSTEM OPERATOR ROOM AND RECEIPT SECTION WERE KEPT IN DISORDERLY MANNER AS SHOWN IN THE PHOTOGRAPHS BELOW AND THE SAME WAS VULNERABLE TO SHORT CIRCUIT



IN ABSENCE OF A PROPER MAINTENANCE OF THE LAN SETUP, THE ACCESS OF DPIS APPLICATION BY USER COULD BE AFFECTED WHICH WOULD HAMPER THE PROCESSING OF PENSION AND OTHER RETIREMENT BENEFIT CASES. THE DOP NOTED THIS OBSERVATION AND STATED THAT NECESSARY ACTION WOULD BE TAKEN

1.3.4 System Design Deficiencies

ANALYSIS OF THE DPIS THROUGH DATA ENTRY SCREENS DISCLOSED THE FOLLOWING DEFICIENCIES/SHORTCOMINGS:

1.3.4.1 Monitoring of timely disposal of pension cases through IT module

THE YEARWISE POSITION OF PENSION CASES RECEIVED, APPROVED AS PER DPIS DATABASE AND PENDENCY AS WORKED OUT BY AUDIT IS SHOWN IN Table 1.18.

Table 1.18

Year wise position of pension cases received and disposed of as per database

Year	Cases received	Cases disposed	Pending cases		Duration of pendency of fresh cases calculated by Audit	
			Other ⁹⁰ fresh cases	Fresh cases	No. of cases	Ranges (in days)
2009	4,391	4,114	262	15	1 14	UPTO 90 BEYOND 180
2010	4,267	4,098	152	17	17	BEYOND 180
2011	5,489	5,117	345	27	1 1 25	UPTO 90 UPTO 180 BEYOND 180
2012	6,167	5,692	422	53	7 3 2 41	UPTO 90 UPTO 120 UPTO 180 BEYOND 180
2013	3,762	3,124	257	381	7 2 372	UPTO 90 UPTO 120 BEYOND 180
2014	1,944	1,710	210	24	4 1 19	UPTO 90 UPTO 180 BEYOND 180
2015	8,606	7,398	853	355	79 8 12 8 248	UPTO 90 UPTO 120 UPTO 150 UPTO 180 BEYOND 180
2016	10,718	3,658	1,146	5,914	43 733 1,036 4,102	UPTO 90 UPTO 150 UPTO 180 BEYOND 180
2017	3,893	16	4	3873	2,793 788 292	UPTO 90 UPTO 120 UPTO 150
Total	49,237	34,927	3,651	10,659		

Source: DPIS database.

IT WOULD BE EVIDENT FROM THE DETAILS ABOVE THAT 10,659 FRESH CASES (21.64 per cent) OUT OF 49,237 CASES RECEIVED WERE STILL PENDING. STANDARD TIME FOR DISPOSING OF PENSION CASES WAS 90 DAYS. IT WAS OBSERVED THAT THE CASES WERE PENDING FOR MORE THAN THIS PERIOD. THE DELAY IN DISPOSING OF THE PENSION CASES, WAS HOWEVER, NOT DEPICTED IN THE DPIS. THE REASONS FOR DELAY/PENDENCY COULD ALSO NOT BE ASCERTAINED IN AUDIT AS THERE WERE NO REMARKS AGAINST THE FRESH PENDING CASES IN THE DATABASE. THERE WAS NO PROVISION IN THE APPLICATION TO CAPTURE THE ACTUAL DATE OF RECEIPT OF THE PENSION CASES AT THE OFFICE. CONSEQUENTLY, THE PENDENCY OF THE OLDER PENSION CASES WITH THE DOP COULD NOT BE MONITORED THROUGH THE SYSTEM.

⁹⁰ PENDING FRESH CASES INCLUDE EXPIRED/REJECTED/REVISION OF PENSION/REOPENING OF PENSION/ADJUTANT CASES

FURTHER, AS PER USER MANUAL OF DPIS, STATUS OF DISPATCH OF PPO HAS TO BE ENTERED IN THE SYSTEM TO ENABLE MONITORING OF DISPATCH OF PPO TO THE CONCERNED PENSIONER, CONCERNED TREASURY AND THE HEAD OF OFFICE FROM WHERE THE PENSIONER HAS RETIRED. THE ANALYSIS OF DATA, HOWEVER, REVEALED THAT FOR THE PENSION YEAR 2016, 1935 CASES OUT OF 4657 CASES WERE SHOWN AS PENDING IN THE ROLE OF DISPATCH CLERK. THIS WAS DUE TO THE REASON THAT THE DISPATCH CLERK WAS NOT UPDATING THE FINALISED CASES AT THE TIME OF DISPATCH OF THE PPO. THUS, THE DATA WAS NOT SHOWING THE REAL TIME STATUS OF THE PENSION CASES AS DEPICTED IN THE TABLE ABOVE.

THE DIRECTOR, DOP, IN THE EXIT CONFERENCE, STATED (DECEMBER 2017) THAT FRESH CASES WERE PENDING FOR A LONG TIME DUE TO SHORTAGE OF MANPOWER. IN REGARD TO ENTERING OF DISPATCH STATUS OF FINALISED CASES IN THE SYSTEM, THE DOP ACCEPTED THE FACT AND STATED (DECEMBER 2017) THAT NECESSARY STEPS WOULD BE TAKEN TO MAKE THE DISPATCH MODULE FUNCTIONAL.

IN THE LIGHT OF THE ABOVE, IT IS OBVIOUS THAT A PROMISION FOR CAPTURING THE ACTUAL DATE OF RECEIPT OF THE PENSION CASES IN THE DPIS NEEDS TO BE DEVELOPED SO THAT THE PENDENCY STATUS COULD BE MONITORED MORE EFFICIENTLY FOR SPEEDY DISPOSAL OF PENSION CASES.

1.3.4.2 Manual calculation of date of superannuation

IT WAS NOTICED THAT THE SYSTEM DID NOT AUTOMATICALLY CALCULATE THE DATE OF RETIREMENT FOR SUPERANNUATION ON THE BASIS OF PRIMARY DATA LIKE DATE OF BIRTH AND THE DATE WAS BEING ENTERED MANUALLY.

DURING AUDIT, IT WAS OBSERVED THAT IN ONE INSTANCE⁹¹, DATA FOR DATE OF SUPERANNUATION WAS WRONGLY ENTERED INITIALLY, BUT WAS RECTIFIED SUBSEQUENTLY THROUGH BACKEND CORRECTIONS. IN THIS SCENARIO, THE POSSIBILITY OF INCORRECT CALCULATIONS OF QUALIFYING SERVICE BY THE SYSTEM COULD NOT BE RULED OUT.

THE DOP ACCEPTED THE OBSERVATION AND STATED (DECEMBER 2017) THAT THE DEVELOPER HAD BEEN ASKED TO CARRY OUT NECESSARY MODIFICATION.

1.3.4.3 Faulty system for calculation of average emoluments

REVISION OF PAY (ROP) RULES 2010 PROVIDES THAT CALCULATION OF PENSION IS DETERMINED ON THE BASIS OF AVERAGE EMOLUMENTS OF THE LAST 10 MONTHS OR THE LAST MONTH'S EMOLUMENT, WHICHEVER IS BENEFICIAL TO THE PENSIONER.

ACCORDINGLY, THERE IS A PROMISION IN THE DPIS APPLICATION FOR CALCULATION OF AVERAGE EMOLUMENTS. HOWEVER, WHILE ENTERING THE TEST DATA *i.e.*, THE LAST MONTH'S PAY, THE APPLICATION AUTOMATED THE SAME AMOUNT OF PAY FOR THE LAST 10 MONTHS.

⁹¹ CASE MARK NO 2015/01/0077.

AN INSTANCE (CASE MARK NUMBER 2016/07/1391) WAS NOTICED, WHERE THE SYSTEM ACCEPTED THE AMOUNT OF ` 35,510 FOR ALL 10 MONTHS WHEREAS THE ACTUAL EMOLUMENTS FROM APRIL TO JUNE 2015 WERE ` 34,470 AND FROM JULY 2015 TO JANUARY 2016 WERE ` 35,510.

INCORRECT CAPTURE OF EMOLUMENTS FOR THE LAST 10 MONTHS, CONSEQUENTLY, CARRIES THE RISK OF INCORRECT CALCULATION OF AVERAGE EMOLUMENTS.

THE DOP STATED (DECEMBER 2017) THAT AN EMPLOYEE'S LAST 10 MONTHS PAY COULD HAVE A MAXIMUM OF TWO DIFFERENT VALUES *e.g.*, AN EMPLOYEE RETIRED THREE MONTHS AFTER GETTING LAST INCREMENT THE DOP ALSO STATED THAT THE DPIS HELPED THE USER TO MANUALLY ENTER ONLY TWO VALUES, *i.e.*, IN THE FIRST MONTH AND SEVENTH MONTH BEING THE MONTH OF INCREMENT THE REPLY WAS NOT TENABLE AS THE PAY COULD ALSO BE CHANGED FOR MORE THAN TWO OCCASIONS DURING LAST 10 MONTHS ON ACCOUNT OF PROMOTION, *dies-non*, SUSPENSION *etc.*, OTHER THAN INCREMENT ONLY.

1.3.4.4 Non-functioning of 'Commutation of Pension' provision in the pension module

THE PROMISION FOR PROCESSING OF COMMUTATION OF PENSION WAS FOUND NOT FUNCTIONING DUE TO ABSENCE OF SERVER CONNECTIVITY BETWEEN DOP AND THE P & PG DEPARTMENT IT WAS OBSERVED THAT THE ADMISSIBILITY REPORTS FOR COMMUTATION WERE GENERATED AND PROCESSED MANUALLY UP TO THE DIRECTOR LEVEL. AFTER OBTAINING THE APPROVAL OF THE DIRECTOR, THE REPORT WAS SENT PHYSICALLY TO THE P & PG DEPARTMENT FOR FINAL SANCTION.

THUS, THE VERY OBJECTIVE OF SPEEDY DISPOSAL OF CASES OF COMMUTATION WAS NOT ACHIEVED DUE TO NON-FUNCTIONING OF THE MODULE.

THE DOP, WHILE ACCEPTING THE POINT, STATED (DECEMBER 2017) THAT THE CONNECTIVITY BETWEEN DOP AND P & PG DEPARTMENT WOULD BE MADE TO PROCESS THE COMMUTATION CASES ELECTRONICALLY.

1.3.4.5 Other deficiencies in the system

SCRUTINY OF THE APPLICATION REVEALED THAT OUT OF THE SIX MODULES, SUB-MODULES OF THREE OF THESE MODULES⁹² WERE NOT FUNCTIONAL. THIS LED TO VARIOUS SHORTCOMINGS, SUCH AS MANUAL PROCESSING OF PENSION, DELETION/MODIFICATION OF DATA, *etc.* THE DETAILS ARE AS GIVEN IN Table -1.19:

⁹² ADMIN PENSION AND REPORTS MODULES

Table-1.19
Deficiencies due to non-functioning of sub-modules

Name of Module	Sub-module not functioning	Deficiency and the resultant risk
ADMIN	AUDIT TRAIL	LACK OF AUDIT TRAIL EXPOSED SYSTEM TO DELETION/MODIFICATION OF DATA, GAP CREATION WITHOUT USER ACCOUNTABILITY.
PENSION	DOP DATA MODIFICATION	DATA MODIFIED FROM BACKEND ON REGULAR BASIS LED TO RISK OF UNAUTHORIZED MODIFICATION/DELETION OF DATA
	COMMUTATION OF PENSION	CASES WERE PROCESSED MANUALLY LEADING TO RISK OF INADVERTENT ERROR/MANIPULATION
	TRANSFER OF PENSION	CASES WERE PROCESSED MANUALLY LEADING TO RISK OF DELAY AND ERROR
REPORTS	DOP REPORTS	MIS REPORTS WERE NOT DEPICTING THE LOGICAL STATUS OF MAJOR HELDS viz., CASES OF DELAY, MONTHLY PROGRESS, HNAISED FAMILY PENSION CASES ETC
	P & PG REPORTS	REPORTS WERE NOT BEING GENERATED DUE TO NON-CONNECTIVITY BETWEEN DOP AND P & PG, SO FULL BENEFITS OF COMPUTERIZATION COULD NOT BE DERIVED

* THERE WAS NO PROMSION IN THE DPIS TO UPILOAD THE SCANNED SIGNATURE OF THE HEAD OF OFFICE (HCO) FROM WHERE THE PENSION PROPOSAL WAS RECEIVED TO VALIDATE THE SAME WITH THE SIGNATURE IN THE PHYSICAL DOCUMENT AS A RESULT, THE GENUINNESS OF THE APPLICANT COULD NOT BE VERIFIED BY DPIS.

THE DOP, IN ITS REPLY (DECEMBER 2017), STATED THAT THE PROMSION FOR UPILOADING SCANNED SIGNATURES OF HCOs WILL BE INCORPORATED IN DPIS.

* IT WAS MANDATORY FOR THE USER AT THE DEO LEVEL, AS PER THE USER MANUAL OF DPIS, TO UPILOAD THE PHOTOGRAPH AND SIGNATURE OF THE PENSIONER, ONCE HE/SHE HAD ENTERED THE DETAILS INTO THE SYSTEM.

VERIFICATION OF THE APPLICATION HOWEVER, SHOWED THAT THE DATA ENTERED AT THE DEO LEVEL WAS ALLOWED TO BE SAVED EVEN WITHOUT UPILOADING OF THE PHOTOGRAPHS AND SIGNATURES OF THE PENSIONERS. THE PROCESS OF UPILOADING WAS HOWEVER, BEING RE-DONE AT SUBSEQUENT LEVELS.

THUS, THE VALIDATION PROCESS WAS NULLIFIED AT THE OPERATOR LEVEL.

THE DOP, WHILE ACCEPTING THE OBSERVATION, STATED (DECEMBER 2017) THAT PHOTOGRAPH AND SIGNATURE OF THE PENSIONER WILL BE INCORPORATED IN THE SYSTEM.

* THE DETAILS OF PENSIONERS ARE REQUIRED TO BE SUPPORTED BY ENCLOSING 18 TYPES OF DOCUMENTS TO BE SUBMITTED ALONG WITH THE PENSION PROPOSAL. THE CHECK ON DPIS APPLICATION SHOWED THAT THE SUBMISSION OF DOCUMENTS REQUIRED FOR VERIFICATION OF INFORMATION IN THE PROPOSAL WAS NOT MADE MANDATORY. AS SUCH GENUINNESS OF DATA MADE IN THE PROPOSAL COULD NOT BE ENSURED BY DPIS.

DATA ANALYSIS OF PENSION CASES PROCESSED DURING 2015 SHOWED THAT 5,920 CASES WERE SETTLED IN THE ABSENCE OF NOMINATION OF DEATH-CUM-RETIREMENT GRATUITY (DCRG), WHICH WAS IRREGULAR.

THE DOP, WHILE ACCEPTING THE AUDIT OBSERVATION, STATED (JUNE 2017) THAT NECESSARY ACTION WOULD BE TAKEN FOR INCORPORATION OF THE VALIDATION

* THERE WAS PROMISION FORMIS REPORTS AS PER THE SYSTEM DESIGN HOWEVER, IT WAS OBSERVED THAT REPORTS WERE NOT USER FRIENDLY AND PROVIDING IILLOGICAL OUTPUT AS BROUGHT OUT IN Table 1.20 BELOW:

**Table -1.20
Logical status of various MIS reports**

Name of Reports	Purpose	Status
CASE DELAY REGISTER	FOR MONITORING OF DELAY	DATA COLUMN WITHOUT PROPER HEADING AND DELAY WAS NOT CALCULATED.
CASE REJECTION REGISTER	FOR MONITORING THE REJECTED CASES	DELAY WAS CALCULATED FROM INCORRECT COLUMNS.
MONTH-WISE LIABILITY REPORT	FOR MONITORING THE PENDING CASES	NO OUTPUT WAS PROMDED
MONTHLY PROGRESS REPORT	FOR MONITORING THE CASES PROCESSED BY OPERATOR/SUPERVISOR LEVEL	NO OUTPUT WAS PROMDED
REPORT SHOWING FINAISED CASE OF FAMILY PENSION	FOR MONITORING THE FINAISED FAMILY PENSION CASES	REPORT NOT GENERATED.

AS THESE WERE MAJOR MIS REPORTS FOR MONITORING OF THE SYSTEM, NON-GENERATION OF ACTUAL LOGICAL STATUS DEFEATED THE VERY PURPOSE OF THE REPORTS.

THE DOP REPLIED (JUNE 2017) THAT THE REPORTS WERE DESIGNED BY TATA CONSULTANCY SERVICE (TCS) AND SOME ANOMALIES EXISTED DUE TO LACK OF PROPER TESTING OF THE SAID REPORTS. FURTHER, THE DOP ASSURED (DECEMBER 2017) RECTIFICATION OF THE REPORTS.

* LIFE TIME ARREARS (LTA) IS THE PENSION FOR THE PERIOD IT WAS NOT DRAWN DURING THE LIFE TIME OF A PENSIONER. ACCORDING TO A REARS OF PENSION (NOMINATION) RULES, 1983, PENSIONERS ARE REQUIRED TO NOMINATE ANOTHER PERSON, DURING HIS/HER LIFE TIME TO RECEIVE THE ARREARS OF PENSION, DUE TO THE PENSIONER ON HIS/HER DEATH. IN THE EVENT OF DEATH OF BOTH THE PENSIONER AND HIS/HER SPOUSE, LIFE TIME ARREARS CAN BE PAID TO THE LEGAL HEIRS OF THE PENSIONER. THUS, THE DA LEVEL USER, WHILE CALCULATING THE PENSION, NEEDS TO ENTER THE FAMILY DETAILS IN THE DPIS SYSTEM, IF THE GOVERNMENT EMPLOYEE DECLARES IT FOR GRANTING LIFE TIME ARREARS (LTA) FROM THE DATE OF DEATH OF THE GOVERNMENT EMPLOYEE UP TO THE DATE OF DEATH OF THE SPOUSE.

DURING AUDIT, IT WAS NOTICED THAT THERE WAS NO PROVISION FOR CAPTURING THE DATE OF DEATH OF THE SPOUSE. AS A RESULT, THE CALCULATION OF LTA WAS NOT FEASIBLE THROUGH THE DPIS SYSTEM. ONE INSTANCE⁹³ WAS NOTICED IN AUDIT WHEREBY LIFE TIME ARREAR WAS SETTLED WITHOUT THE ENTRY OF THE DATE OF DEATH OF THE NOMINEE.

THE DOP, WHILE ACCEPTING THE AUDIT OBSERVATION, REPLIED (JUNE 2017) THAT NECESSARY MODIFICATIONS WOULD BE MADE IN THE REVAMPED DPIS SYSTEM.

⁹³ MDE PPO NOADP/PRI/GPO/2016-17.

1.3.5 Input Controls and validation Checks

ABSENCE OF INPUT CONTROLS AND VALIDATION CHECKS IN DPIS LED TO INCOMPLETE AND INVALID DATA AS ELABORATED IN SUCCEEDING PARAGRAPHS.

1.3.5.1 Pension cases master data

DATA ANALYSIS OF THE PENSION CASES SHOWED THE FOLLOWING

* PPO CODE NUMBER IS A UNIQUE KEY GENERATED BY THE SYSTEM AFTER APPROVAL OF THE PENSION PROPOSAL BY THE DIRECTOR. SINCE IT IS A SYSTEM GENERATED NUMBER, THERE SHOULD NOT BE ANY GAP.

ANALYSIS OF THE DATA FROM MARCH 2009 TO MAY 2017 SHOWED 51 GAPS IN THE PPO CODE NUMBERS GENERATED DURING THE PERIOD AS SHOWN IN THE Table 1.21 BELOW:

Table-1.21

Year	2009	2010	2011	2012	2013	2014	2015	2016	Total
Gaps in the PPO Codes	1	4	NIL	NIL	3	5	23	15	51

THIS WAS INDICATIVE OF A FAULTY SYSTEM Brought with the risk of alteration/modification of data or of unauthorised deletion of cases. THE GAPS IN PPO CODE NUMBERS MAY INDUCE THE POSSIBILITY OF INFILTRATION/BREACH OF DATA INCLUDING THE MISUSE OF MISSING PPO NUMBERS. FURTHER, IN THE ABSENCE OF LOGIN HISTORY, CASES OF INTENTIONAL DELETION/MANIPULATIONS FROM THE BACKEND COULD NOT BE IDENTIFIED RESULTING IN NON-ACCOUNTABILITY.

THE DOP, IN REPLY, STATED (JUNE 2017) THAT GAPS OCCURRED DUE TO SUDDEN SHUTDOWN OF DPIS APPLICATION OWING TO POWER FAILURE AND/OR LOSS OF LOCAL AREA NETWORK (LAN) CONNECTIVITY. THE REPLY ALSO CONFIRMED THAT THE SYSTEM HAD NO CONTROLS TO PREVENT THE GAPS THAT APPEARED IN THE PPO CODE NUMBERS. THE DOP FURTHER STATED (DECEMBER 2017) THAT THE SYSTEM WOULD BE MODIFIED TO ADDRESS THE ISSUE IN THIS REGARD.

* DATA COLUMNS MADE FOR DIFFERENT TYPES OF GRATUITY viz., RETIREMENT GRATUITY, DEATH GRATUITY, RESIDUARY GRATUITY AND TERMINAL GRATUITY, REMAINED BLANK ALL AMOUNTS OF GRATUITY, IRRESPECTIVE OF THE TYPE, WERE CLUBBED UNDER THE ONE SINGLE COLUMN. FURTHER DUE TO ABSENCE OF FLAGGING OF THE TYPE OF GRATUITY, THE SEGREGATION OF THE TYPE OF GRATUITY COULD NOT BE DIFFERENTIATED AND IDENTIFIED. THIS INDICATED LACK OF INPUT CONTROLS TO CAPTURE DATA UNDER THE APPROPRIATE COLUMN.

THE DOP STATED (DECEMBER 2017) THAT NECESSARY MODIFICATION WOULD BE CARRIED OUT AS PER CURRENT REQUIREMENT.

* IN A WEB-BASED APPLICATION, THE SYSTEM DATE SHOULD BE CONTROLLED BY THE SERVER DURING AUDIT. IT WAS OBSERVED THAT 53 CASES WERE PROCESSED ON SUNDAYS AND IN ONE INSTANCE, THE DATE OF APPLICATION SHOWED A FUTURE DATE.

THE DOP REPLIED (DECEMBER 2017) THAT THE ERRORS COULD HAVE HAPPENED DUE TO SYSTEM DATE ERROR OF THE PERSONAL COMPUTER (PC).

THE REPLY WAS NOT TENABLE AS THE SYSTEM DATE OF THE PC WAS NOT CONTROLLED BY THE SERVER. THUS, THE AUTHENTICITY OF THE DATA CAPTURED WAS DOUBTFUL. THE DOP FURTHER ASSURED (DECEMBER 2017) THAT NECESSARY VALIDATION WOULD BE INCORPORATED SOON.

* AS PER THE ASSAM SERVICE (PENSION) RULES, 1969, NOTING OF THE NAME OF FATHER/HUSBAND WAS MANDATORY FOR PROCESSING OF PENSION CASES. AUDIT NOTICED 25,188 CASES WITHOUT FATHER/HUSBAND'S NAME.

ON THIS BEING POINTED OUT, THE DOP NOTED (JUNE 2017) THE AUDIT OBSERVATION FOR NECESSARY ACTION.

* DATA ANALYSIS SHOWED THAT TWO PPOS WERE ISSUED BEARING THE SAME UNIQUE NUMBER⁹⁴ TO TWO DIFFERENT PERSONS⁹⁵. SINCE PPO CODES CANNOT BE SAME FOR TWO PENSION CASES, THE POSSIBILITY OF ONE OF THE CASES BEING FRAUDULENT, COULD NOT BE RULED OUT.

THE DOP, ASSAM ACCEPTED (AUGUST 2017) THE FACT OF DUPLICATE GENERATION OF PPOS. THE DOP FURTHER STATED THAT DURING 2011, PPOS NO. ADP/PPO/GPO/2011/004128 (CASE MARK NOS. 2009/12/0095 AND 2009/12/0214) WERE GENERATED ON 26 APRIL 2011 AND 21 APRIL 2011 RESPECTIVELY. THE SAME WAS REPORTED TO THE DEVELOPER OF DPIS WHO DIFFERENTIATED ONE OF THE PPO CODE WITH A SUFFIX "R1" AGAINST CASE MARK NO. 2009/12/0095.

THE REPLY WAS NOT TENABLE AS IT SHOWED THAT THE PPO CODE WHICH WAS A UNIQUE FIELD WAS ACCEPTING A DUPLICATE NUMBER. AS SUCH, THE SYSTEM WAS SUSCEPTIBLE TO MANIPULATIONS RAISING CONCERNS ABOUT RELIABILITY OF THE SYSTEM.

1.3.6 Conclusion

* DPIS HAD DEFICIENCIES RELATED TO SYSTEM DESIGN, INPUT CONTROLS, DATA BACKUP AND SECURITY CONTROLS. THIS RESULTED IN INEFFECTIVE MANAGEMENT OF THE SYSTEM AND INFORMATION GENERATED FROM THE SYSTEM WAS NOT FULLY RELIABLE AND SAFE. LACK OF AUDIT TRAIL MADE IT DIFFICULT TO ENSURE ACCOUNTABILITY AND RESPONSIBILITY FOR ACTIONS PERFORMED USING THE SOFTWARE.

* THERE WERE DELAYS PERSISTING IN DISPOSAL OF CASES AND THE SYSTEM WAS NOT ABLE TO SHOW AN AGE ANALYSIS OF THE SAME. SOME IMPORTANT COMPONENTS LIKE CALCULATION OF COMMUTATION, LTA, TRANSFER OF PENSION WERE YET TO BE COMPUTERISED.

* THE STAFF OF DOP WERE NOT TRAINED IN HANDLING THE DPIS AND WERE FULLY DEPENDENT ON AN OUTSOURCED STAFF.

⁹⁴ PPO CODE- ADP/PPO/GPO/2011/004128.

⁹⁵ I) AJAY KR HOJAI AND II) KUTUB UDDIN BABHUYAN

- * THE COMPUTERISATION PROGRAMME, WHICH HAD STARTED EIGHT YEARS BACK, WAS YET TO BE COMPLETED IN TERMS OF FULL FUNCTIONALITY, INDICATING DEFICIENCIES IN PLANNING AND IMPLEMENTATION OF THE PROJECT

1.3.7 Recommendations

GOVERNMENT MAY CONSIDER INITIATING NECESSARY ACTION TO IMPLEMENT THE FOLLOWING RECOMMENDATIONS:

- * *a well-defined IT policy for password management, data backup and Business Continuity be laid down;*
- * *training of staff engaged in implementation of the project may be ensured and strengthened;*
- * *deficiencies observed due to non-mapping of pension processing rules into the system accurately may be set right besides ensuring correctness of data entry, with adequate input controls and validation checks; and,*
- * *a time bound programme for implementation and execution of the modules not implemented so far, be drawn and implemented.*

Compliance Audit

Welfare of Plain Tribes and Backward Classes Department

1.4 Incentive to Scheduled Caste students (Scholarship schemes)

1.4.1 Introduction

THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT (MOSJ&E), GOVERNMENT OF INDIA (GOI) HAS INTRODUCED SEVERAL SCHOLARSHIP SCHEMES TO PROVIDE INCENTIVES TO SCHEDULED CASTE (SC) STUDENTS TO ENABLE THEM TO COMPLETE THEIR EDUCATION AND TO MINIMIZE THE INCIDENCE OF DROP-OUT

THE SCHOLARSHIP SCHEMES INCLUDE

- * **Post-matric Scholarship for SC students from class XI onwards:** IT IS PAID TO SC STUDENTS AT POST-MANICULATION STAGE STUDYING IN INDIA WHOSE PARENTS'/GUARDIANS' INCOME DOES NOT EXCEED ` 2,50,000 *per annum*. THE VALUE OF SCHOLARSHIP INCLUDES MAINTENANCE ALLOWANCE AT THE RATES PRESCRIBED, REIMBURSEMENT OF COMPULSORY NON-REFUNDABLE FEES, *etc.*
- * **Pre-matric Scholarship for SC students for class IX-X:** THE SCHEME WAS LAUNCHED IN 2012-13 AND PAID TO SC STUDENTS STUDYING IN CLASS IX AND X WHOSE PARENTS'/GUARDIANS' INCOME DOES NOT EXCEED ` 2,00,000 *per annum*. THE SCHOLARSHIP IS